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1979-1981

BIENNIAL REPORT
1979-1980
1980-1981

Department of Treasurer and Tax Collector

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H. B. Alvord
Treasurer and Tax Collector

COUNTY OF LOS ANGELES

DEPARTMENT OF THE TREASURER AND TAX COLLECTOR

HALL OF ADMINISTRATION
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LOS ANGELES, CALIFORNIA 90051
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H.B.ALVORD
TREASURER AND TAX COLLECTOR

B.J.NUREMBERG
CHIEF DEPUTY

October 1, 1981

Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration

Gentlemen:

In accordance with the Administrative Code of the County of Los Angeles, we are submitting our Biennial Report for the Department of Treasurer and Tax Collector for the fiscal years 1979-80 and 1980-81.

The following pages provide an outline of our responsibilities, accomplishments throughout the last two fiscal years, departmental objectives, and the volume of our transactions.

Very truly yours,

H. B. Alvord

H. B. ALVORD
TREASURER AND TAX COLLECTOR

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Attachment

BIENNIAL REPORT

FISCAL YEARS 1979-80 & 1980-81

DEPARTMENT OF TREASURER & TAX COLLECTOR

DEPARTMENTAL RESPONSIBILITIES

INTRODUCTION

The County Treasurer, a charter officer, carries out the responsibilities of Treasurer, Tax Collector and License Collector. The Treasurer is an ex-officio member of the Boards of Retirement and Investments, as well as the Administrator of the Los Angeles County Employees' Retirement Association.

The departmental mission encompasses four basic objectives as follows:

TREASURY OBJECTIVE

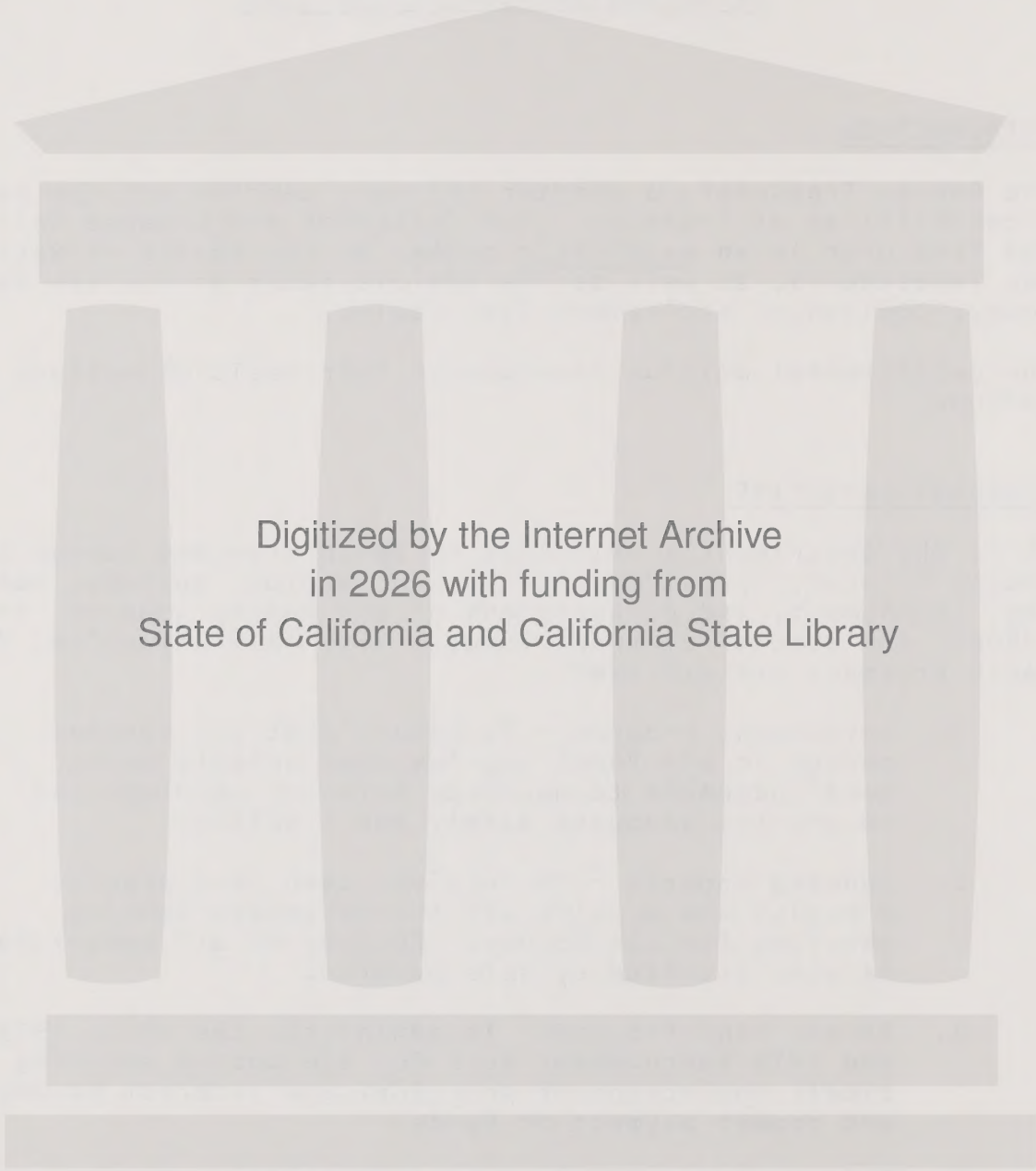
It is the Department's objective to administer and manage the County Treasury, providing for the collection, custody, borrowing, investment, and disbursement of all County general, trust, school, and special district funds. With this objective, five basic programs are utilized:

1. Investment Program - To ensure that all surplus monies in all funds are invested quickly using good judgement to maximize interest earnings and to provide adequate safety and liquidity.

2. Banking Program - To receive, cash, and process warrants and provide all the necessary banking services for the County. Custody of all securities is also provided by this program.

3. Street Bond Program - To administer the 1911, 1913 and 1915 Improvement Acts for the County ensuring timely collection of principal and interest payments and prompt payment of bonds.

4. Bond Registration Program - To register County and School District General Obligation and Revenue Bonds to minimize the cost of handling and make their sale more attractive.



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5. Borrowing Program - To coordinate and arrange to coordinate all long and short term borrowing for the County and County originated joint powers authorities and non-profit corporations. Additionally, to advise schools and special districts upon request.

TAX COLLECTION OBJECTIVE

The Department's main objective in the area of tax collection is to bill and collect the current and delinquent taxes on all real property with the utmost speed in processing so as to maximize interest earnings on the funds collected. The smaller objectives in this area are the collection of Transient Occupancy Taxes under County Ordinance 8607, and the collection of Inheritance Taxes.

The following programs are utilized:

1. Real Property Taxes Program - To bill the person responsible and collect all current and delinquent secured property taxes. To enforce collection by sale at public auction or agency sale for failure to pay delinquent taxes within the statutory time limits. To advise and notify property owners of their property tax status. To administer various senior citizens tax relief programs.

2. Personal Property Taxes Program - To bill and collect current and delinquent unsecured property taxes. To enforce collection of delinquent taxes by seizure of property, court action, or recordation of liens when necessary.

3. Tax Deeded Property Management Program - To manage property deeded to the State as a result of delinquent taxes by maintaining the property, negotiating leases and collecting rent for the occupancy of the property.

4. The responsibilities of the County Treasurer in the collection of inheritance taxes and the necessity of checking safe deposit boxes have been eliminated due to the passage of Assembly Bill 2092, effective January 1, 1981.

5. Transient Occupancy Tax - To bill and collect from all eligible businesses liable for this tax and to enforce collections when necessary.

LICENSE COLLECTION OBJECTIVES

This objective is to administer the business and public health licensing ordinances of the County of Los Angeles. This is done through a program which allows for the taking of applications, prompt billing, fast collection, and enforcing collection to ensure complete coverage of all persons required to be licensed.

RETIREMENT ADMINISTRATION OBJECTIVE

The County Treasurer acts as Administrator of the Los Angeles County Retirement Association. The objectives of this function are to administer the Los Angeles County Retirement System as set forth in the County Employees' Retirement Law of 1937, as amended, and to carry out the policies of the Boards of Retirement and Investments through two primary programs as follows:

1. Administrative Program - To provide the necessary record keeping of all actuarial data regarding Retirement Association members, both active and retired, and to ensure that retired members receive benefits due them, to counsel and assist members in making a decision on benefits which are available. To keep accurate records on all revenues and expenditures within the County's Retirement Association. Finally, to participate in professional associations in order to enhance the ability to make the necessary adjustments within our changing society.

2. Portfolio Management Program - To invest retirement funds in legally authorized investments which will maximize interest earnings and provide adequate safety and security for members and County employees.

DEPARTMENTAL GOALS

To continue to establish a climate for increased productivity, especially in light of the increased workload and the 1981-82 budget curtailments.

To continue to handle the increased workload due to Proposition 13 carry-over with no increase in staff.

As a carry-over goal from the preceeding Biennial Report, to assume our own warrant reconciliation a service now performed by major local banks. This service costs the County about $2 million annually and we would expect to cut this expense in half by performing the service ourselves.

To continue to broaden the Electronic Money Transfer process to eventually include all departmental revenue accounts in the program.

To continue to seek legislation to enhance opportunities for increased interest earnings consistent with sound investment practices.

To establish an on-line Tax Redemption system for the payment and remittance processing on delinquent taxes. This enhancement of our system should result in a decrease in staff.

As a by-product of various other computer systems, to establish an automated refund program which will speed up the tax refund process.

To implement three new programs in current and delinquent tax remittance processing which will result in speeding up the deposit of monies in connection with payment exceptions. This should result in an additional $1 million plus in interest earnings at today's rates.

To enter the municipal commerical paper market to increase financial flexibility allowing us to roll over short maturities during periods of declining interest while still maintaining the option to issue longer term debt obligations in a more favorable interest rate climate.

As Administrator of the Retirement System to continue to improve services to active and retired members.

To continue to assist the County in the implementation of Plan E, the non-contributory retirement option.

To automate Business Licenses issued pursuant to County Ordinance 5860. This will result in increased collections and a reduction in clerical staff.

HIGHLIGHTS AND STATISTICS

INTRODUCTION

This section of the Biennial Report of Department of Treasurer and Tax Collector is a brief outline of the Department's significant achievements during the last two years. Included are tables containing statistical data reflecting the various achievements of the Department.

CASH MANAGEMENT

Several years ago we inaugurated a program whereby we received warrants for State subventions at a special post office box here in Los Angeles. When the warrants come in, we catch an early flight to Sacramento and exchange the warrant for a check drawn on the State Treasury. That check is then deposited and invested for same day credit.

In 1979-80 the interest earnings were $226,878 with expenses of $8,274. In 1980-81 earnings increased by 111.5% to $479,714 with expenses of $13,553.

It is aggressive imaginative programs like this which have contributed to the increased interest earnings of the County.

ELECTRONIC MONEY TRANSFER

The EMT program involves the Municipal Courts' revenue accounts. The money deposited by the courts each day is electronically transferred to the Treasurer's Investment account, enabling the Treasurer to invest these sums the day they are deposited. This has resulted in earnings for 1979-80 of $39,386 and for 1980-81 to $196,360.

TAX ANTICIPATION NOTES

With the approval of your Board, this Department continued the issuance of Tax Anticipation Notes for 1979-80, earnings on $300 million were $6.4 million. For the fiscal year 1980-81 the return on TANS was $11.7 million.

TAX COLLECTION

Fiscal Year 1980-81 saw the implementation of our K Batch system which resulted in the immediate deposit of monies sent in without bills or stubs. We deposited 63,805 of these items in the amount of $36.8 million for additional interest earnings of $1 million.

LICENSE COLLECTION

This Department initiated legislation which enabled us to place all property related Public Health licenses on the Secured Tax Bill. This resulted in an additional $2.1 million in collections which we deposited to Health Services Revenue budget.

DEFERRED COMPENSATION PROGRAM

This program has been contracted out at no cost to the County. This will result in the elimination of 1.5 positions from our 1982-83 budget.

COMPARATIVE STATEMENT OF ACTIVITY

FISCAL YEARS 1979-80 AND 1980-81

ACTIVITY	1979-80	1980-81	% CHANGE
Treasurer Operations:			
Receipts	$ 11,645,283,530	$ 10,024,308,991	(13.92)
Disbursements	$ 11,541,656,302	$ 9,869,367,378	(14.49)
Warrants Honored	12,286,563	12,208,854	(.63)
Special Assessment Bonds Issued	82	115	40.24
Tax Collection Operations:			
Secured Bills	1,975,163	2,002,886	1.40
Unsecured Bills	342,702	345,892	.93
Tax Payments Processed	4,235,162	4,187,184	(1.13)
Parcels Published as			
Delinquent-Secured	71,596	60,612	(15.34)
Delinquent Items-Unsecured	67,639	86,231	27.49
Redemption Certs. Issued	71,026	77,429	9.02
Current Sec. Del. Parcels	101,814	104,542	2.68
Parcels Sold at Pub. Auction	1,145	337	(70.57)
Parcels Sold by Agrmt. Sales	6	68	N/A
Parcels Sold by Sealed Bids	126	25	(80.16)
Inheritance Tax Administration:			
Deposit Box Examinations	16,000	6,717*	(58.02)
License Collection Operations:			
Public Health Licenses Issued	98,534	129,217**	31.14
Business Licenses Issued	12,482	12,889	(3.26)
Transient Occupancy Tax Accounts	102	104	1.96

*The Inheritance Tax function was transferred to the State effective Jan. 1, 1981.
**Includes 60,000 items which are collected on the secured tax bill.

COMPARATIVE STATEMENT OF COLLECTIONS

FISCAL YEARS 1979-80 AND 1980-81

	1979-80	1980-81	% Change
Property Taxes, Penalties and Costs			
Secured Taxes	$1,507,174,003	$1,719,430,617	14.08
Unsecured Taxes	200,168,700	158,719,283	(20.71)
Redemption	57,255,665	53,329,003	(6.86)
Penalties:			
Secured	2,721,130	3,370,884	23.88
Unsecured	841,478	938,989	11.59
Redemption	9,201,357	8,297,172	(9.83)
Costs:			
Secured	207,060	208,410	.65
Unsecured	9,947	12,633	27.00
Redemption	229,740	234,870	2.23
Tax Sales	937,369	1,132,699	20.84
Over Collections	12,530,305	9,807,965	(21.73)
Double Collections	1,940,981	3,658,947	88.51
Sub-Total	$1,793,217,735	$1,959,141,472	9.25
Other Collections			
Business Licenses	$ 799,355	$ 772,462	(3.36)
Charges for Current Services	1,800,149	1,934,809	7.48
Deceased Persons Estates	426,851	412,094	(3.46)
Inheritance Tax	146,726,227	101,727,416	(30.67)
Interest on Investments:			
General Fund	87,850,354	60,777,708	(30.82)
Schools & Other Agencies	168,330,458	179,588,789	6.69
Parking Meters	179,834	206,662	14.92
Public Health & Related Licenses	5,196,889	7,338,677	41.21
Transient Occupancy	1,271,449	1,541,967	21.28
Unclaimed Property	19,953	19,883	(.35)
Other	2,472,454	2,446,659	(1.04)
Sub-Total	$ 415,073,973	$ 356,767,126	(14.05)
Grand Total	$2,208,291,708	$ 2,315,908,598	4.87

SUMMARY OF TAX CHARGES AND DELINQUENCIES

SECURED ROLL

Roll Years	Tax Charge	Unpaid After First Year		Unpaid 1981	
		Amount	%	Amount	%
1930-39*	$ 1,084,837,092	$ 87,313,572	8.05	294	-
1940-49*	1,644,108,440	35,893,168	2.18	7,805	-
1950-59*	4,742,884,057	63,002,369	1.33	71,630	-
1960-61	777,635,906	11,994,591	1.54	910	-
1961-62	857,839,923	12,671,877	1.48	568	-
1962-63	914,143,686	14,744,969	1.61	642	-
1963-64	996,991,395	16,747,267	1.68	1,018	-
1964-65	1,071,027,481	23,475,476	2.19	594	-
1965-66	1,157,595,049	31,261,779	2.70	692	-
1966-67	1,274,906,973	37,939,049	2.98	5,508	-
1967-68	1,367,424,648	30,766,461	2.25	2,487	-
1968-69	1,533,492,430	28,128,984	1.83	31,823	-
1969-70	1,624,870,409	31,214,031	1.92	40,793	-
1970-71	1,943,943,674	38,166,475	1.96	65,193	-
1971-72	2,152,375,975	41,441,376	1.93	157,035	.01
1972-73	2,203,509,723	42,527,452	1.93	439,877	.02
1973-74	2,119,222,015	42,030,022	1.98	913,189	.04
1974-75	2,397,838,263	54,756,556	2.28	1,838,735	.08
1975-76	2,618,289,950	55,294,949	2.11	2,964,269	.11
1976-77	2,981,247,906	49,896,043	1.67	4,595,922	.15
1977-78	3,241,581,557	67,144,830	2.07	8,771,030	.27
1978-79	1,382,068.017	49,161,706	3.56	5,631,150	.41
1979-80	1,564,409,271	53,432,971	3.42	15,212,218	.97
1980-81	1,789,873,805	70,443,188	3.94	70,443,188	3.94

* 10 years combined

SUMMARY OF TAX CHARGES AND DELINQUENCIES

UNSECURED ROLL

Roll Years	Original Tax Charge	Unpaid After First Year		Unpaid June 30, 1981	
		Amount	%	Amount	%
1950-59	$ 560,610,784	$ 4,323,417	.77	$ 2,428,583	.43
1960-61	122,780,331	1,148,567	.94	698,208	.57
1961-62	122,366,352	1,942,595	1.59	789,302	.65
1962-63	133,139,080	1,756,870	1.32	796,022	.60
1963-64	142,576,604	1,455,237	1.02	682,193	.48
1964-65	112,185,841	1,125,276	1.00	515,955	.46
1965-66	127,018,816	707,139	.56	427,791	.34
1966-67	143,009,276	895,040	.63	447,343	.31
1967-68	167,093,243	1,107,419	.66	664,389	.40
1968-69	180,172,720	952,680	.53	574,482	.32
1969-70	206,244,709	1,426,401	.69	652,585	.32
1970-71	215,096,790	2,191,408	1.02	1,094,638	.51
1971-72	251,976,067	2,249,631	.89	1,461,021	.58
1972-73	284,862,219	2,594,214	.91	1,643,217	.58
1973-74	263,134,903	3,818,540	1.45	1,912,589	.73
1974-75	274,952,031	4,463,691	1.62	2,179,747	.79
1975-76	345,117,852	13,411,545*	3.89	10,805,597	3.13
1976-77	396,073,758	25,658,338**	6.48	21,391,233	5.40
1977-78	397,128,044	11,421,615	2.88	7,742,610	1.95
1978-79	450,383,274	17,176,711***	3.81	8,297,868	1.84
1979-80	199,249,149	7,914,210	3.97	5,054,074	2.54
1980-81	171,788,969	17,967,351****	3.79	17,967,351	3.79

* Unpaid includes Glomar Explorer assessment of $7,515,017.

** Unpaid includes Escaped Import assessments of between 18 and 20 million dollars.

*** This figure includes escaped assessments which are not delinquent. The non-delinquent taxes are considerable but cannot be separated from the charge as of June 30, 1979.

**** Includes 11,463,112 billed late, and not delinquent as of 6/30/81. Delinquent percentage excludes these late billings.

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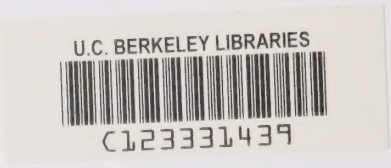

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